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No. 84-363

IN THE

Supreme Court of the United States

OCTOBER TERM, 1984

Northeast Bancorp, Inc.,
Union Trust Company and Citicorp,
Petitioners,

v.

The Board of Governors of
The Federal Reserve System,
Respondent,

and

Bank of New England Corporation, CBT Corporation, Hartford National Corporation, The Commonwealth of Massachusetts, The State of Connecticut and Bank of Boston Corporation,
Intervenor-Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Second Circuit

BRIEF AMICUS CURIAE OF THE STATE OF GEORGIA IN SUPPORT OF RESPONDENTS

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BRIEF AMICUS CURIAE OF THE STATE OF GEORGIA IN SUPPORT OF RESPONDENTS

INTEREST OF AMICUS CURIAE

The State of Georgia respectfully files, pursuant to Rule 36.4 of this Court, this brief *amicus curiae* in support of respondents.

The State of Georgia has a vital interest in the issues presented in this case. In 1984, the General Assembly of the State of Georgia enacted a regional interstate banking act. 1984 Ga. Laws p. 1467, O.C.G.A. § 7-1-620 *et seq.* (Michie Supp. 1984) (attached as Appendix 1) (hereinafter "Georgia Act"). The Georgia Act is analogous to the Massachusetts and Connecticut statutes at issue in that it authorizes Georgia bank holding companies to acquire or be acquired by other bank holding companies located in a defined southern region of the country under certain circumstances.[1] This Court's decision as to the constitutionality of the regional banking statutes at issue in the present case may be directly relevant to the constitutional validity of the Georgia Act.

SUMMARY OF ARGUMENT

Petitioners have misconstrued the purposes and effects of regional banking statutes and have ignored the significant amount of interstate banking and finance in which they and other large bank holding companies currently engage. Regional banking laws do not, as petitioners contend, create new barriers to interstate commerce. Instead, such laws reduce the legal barriers to certain interstate banking activities and facilitate the development and expansion of banking institutions capable of competing effectively with Petitioner Citicorp and other money center giants. The State of Georgia submits this

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[1] The Georgia Act defines the southern region as including Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. O.C.G.A. § 7-1-620(10). Bank holding companies from states in the southern region may acquire Georgia banks so long as the laws of the particular state allow Georgia bank holding companies a comparable right to acquire its banks. O.C.G.A. § 7-1-621(c).

brief to demonstrate the purpose and effect of regional banking laws.[2]

ARGUMENT

REGIONAL RECIPROCAL STATE BANKING STATUTES ARE A REASONABLE AND PRO-COMPETITIVE IMPLEMENTATION OF THE STATES' AUTHORITY UNDER THE DOUGLAS AMENDMENT TO EXPAND INTERSTATE BANKING

In the last two years, at least nine states have approved expanded interstate banking activity through regional banking laws. The statutes in Georgia and at least eight other states, including the Massachusetts and Connecticut statutes at issue here,[3] allow a bank holding company from one state within a specified region to acquire a bank in another state in the region so long as bank holding companies in other states are afforded reciprocal rights. The laws in two of these states, Rhode Island and Kentucky,

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[2] The State of Georgia substantially agrees with the intervenor-respondents' discussion of the constitutional issues in this case. In the interest of brevity, that discussion will not be repeated here.

[3] As of November, 1984, the nine states that had enacted regional reciprocal laws were Connecticut, 1983 Conn. Pub. Act 83-411 (Reg. Sess.); Florida, Fla. Stat. Ann. § 658.295 *et seq.* (West Supp. 1984); Georgia, O.C.G.A. § 7-1-620 *et. seq.* (Michie Supp. 1984); Kentucky, Ky. Rev. Stat. § 287-900 *et seq.* (1984); Massachusetts, Mass. Ann. Laws ch. 167A, § 2 (West Supp. 1984); North Carolina, N.C. Gen. Stat. § 53-209 *et seq.* (1984); Rhode Island, R.I. Gen. Laws § 19-30-1, 19-30-2 (1983); South Carolina, S.C. Laws tit. 34, ch. 24, 25 (Supp. 1985); and Utah, Utah Code Ann. § 7-1-702 (Supp. 1984). Thirteen other states have also enacted some form of interstate banking law. For example, Alaska, Alaska Stat. § 06.05.235 (1982) and Maine, Me. Pub. Law 1983, ch. 302 § 2 as amended (1984), permit interstate ownership without reciprocity, and New York, N.Y. Banking Law § 142-b (McKinney Supp. 1983), requires reciprocity. *See* D. Whitehead, "Interstate Banking: A Probability or Reality?" *Economic Review* (March 1985).

provide a specific date upon which the regional scheme will further expand to allow any out-of-state bank holding company to acquire local banks. Each of these laws has the same purpose: to facilitate increased interstate banking activity in a rational and orderly way so as to promote the safety and soundness of the banking system. Furthermore, these laws are entirely in accord with the objective of the Bank Holding Company Act [4] to foster the development of banking institutions that will be responsive to local interests.[5]

A. Regional Banking Statutes Were Enacted to Facilitate Increased Interstate Banking.

Regional banking laws do not create barriers to interstate banking. Rather, they facilitate increased interstate banking by reducing the geographical limitations on bank acquisitions imposed by the Douglas Amendment, 12 U.S.C. § 1842(d). The Bank Holding Company Act was enacted to prevent undue concentration of banking resources,[6] and the geographic limitations imposed by the Douglas Amendment are consistent with that purpose. The Douglas Amendment also recognizes, however, the traditional authority of states to decide whether and to

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[4] 12 U.S.C. § 1841 *et seq.*

[5] *Compare* H.R. Rep. No. 609, 84th Cong., 1st Sess. (1955) (Joint Appendix at page A5) *with* Georgia Dept. of Banking and Finance, "Regional Interstate Banking for Georgia," Report Submitted to Georgia General Assembly in consideration of H.B. 1198, Jan. 18, 1984 (Appendix 7): "The rationale for such legislation is that permitting expansion of commercial banking activities within a region of common interest will permit Georgia's and the region's economy to receive the benefits of having major financial institutions based within its borders which have the capacity to serve the greater needs of a growing, developing business community containing regional and national businesses and industries and which are sensitive to the unique needs, attitudes, business practices and commitments of businesses and commerce within the region."

[6] *See* H.R. Rep. No. 609, 84th Cong., 1st Sess. (1955).

what extent to increase interstate banking activity by empowering the states to lift the federal bar on interstate acquisitions.[7] In evaluating any state's decision to lift the bar of the Douglas Amendment, it is important to recognize the nature and extent of interstate banking that currently exists independent of the strictures of the Douglas Amendment.

Petitioner Citicorp's characterization of regional banking laws as "boycotts" against banks located in a few "money center" states simply ignores the current reality of interstate banking. Bank holding companies are currently permitted by Federal Reserve Board regulation to engage in twenty-two activities closely related to banking throughout the United States, including extension of credit, issuance of credit cards, operation of industrial banks, the providing of investment and financial advice, and others.[8] Bank holding companies are also permitted by order of the Federal Reserve Board to perform twenty additional bank-related functions, including transactions in precious metals, brokerage services, and underwritings of governmental securities.[9] They may also establish limited service banks in other states and acquire certain savings and loan institutions.

The institutions exploiting these opportunities for interstate expansion of banking activities have primarily

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[7] As Senator Douglas explained, the "amendment will permit out-of-State holding companies to acquire banks in other States *only to the degree that State laws expressly permit them*. . . ." 102 Cong. Rec. 6858 (1956) (emphasis added).

[8] This does not mean, of course, that States may not in certain instances lawfully prohibit activities of bank holding companies which would otherwise be permissible under Section 4(c)(8) of the Bank Holding Company Act. *See* 12 U.S.C. § 1846.

[9] *See* Appendix 2.

been the "money center" banks. As of 1982, bank holding companies headquartered in three states controlled over 60% of all interstate offices engaging in activities permitted by Federal regulation.[10] Those interstate offices were spread throughout the nation, with a particular concentration of interstate activity in the Southern region.[11] In the South, for example, bank holding companies as of 1982 controlled 2,027 interstate offices engaged in 4,389 banking-related activities permitted under Federal regulations.[12]

When viewed in this context, regional reciprocal banking laws are appropriate and realistic approaches to interstate banking. They will facilitate the development of regional institutions capable of competing with the money center banks, which are currently engaged in extensive interstate banking. These statutes can hardly be characterized as a "boycott" of money center banks or as additional barriers to interstate banking. Indeed, as a Vice-President of Petitioner Citicorp has stated, "[t]he interstate banking issue is really a misnomer. We're already here."[13]

B. Regional Reciprocal Laws Will Foster Competition Between Money Center and Regional Banks.

Petitioners' construction of the Douglas Amendment would permit states essentially only two options in exercising their rights under the Douglas Amendment. States must either leave their borders closed to interstate bank

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[10] Section 4(c)(8) of Federal Reserve Board Regulation Y, 12 C.F.R. § 225.4(c)(8). *See* Appendix 3.

[11] *See* Appendix 4.

[12] *See* Appendix 5 and Appendix 6.

[13] "Interstate Push by Big Banks," *New York Times*, Nov. 26, 1984, p. D1.

acquisitions, or in the alternative, permit full unrestricted entry of all out-of-state banks. Either of these options would cement the dominance of money center banks such as Petitioner Citicorp and *amicus curiae* Chase Manhattan Corporation over the interstate banking market, and neither would provide the type of competitive environment contemplated by regional banking legislation.

The size advantage enjoyed by money center banks over banks from other regions is enormous. Petitioner Citicorp alone had assets in June, 1984 of over $143 billion, more than *four times* the assets of all Georgia banks combined.[14] Indeed, Citicorp's assets exceed those of the twenty-five largest bank holding companies in the ten Southern region states combined.[15] When the assets of Citicorp and *amicus* Chase Manhattan are totalled, they exceed those of *all banks* from the five largest Southern states.[16] Finally, the ten largest money center bank holding companies have almost twice the assets of all banks in all ten Southern states.[17]

This asset advantage provides money center banks with the opportunity to establish and exploit an interstate network of bank-related organizations in a way that effectively stifles competition. Citicorp's network is illustrative. As of late 1983, Citicorp had established offices in 41 states, with literally thousands of employees working in interstate facilities. These activities are graphically depicted on the following map:

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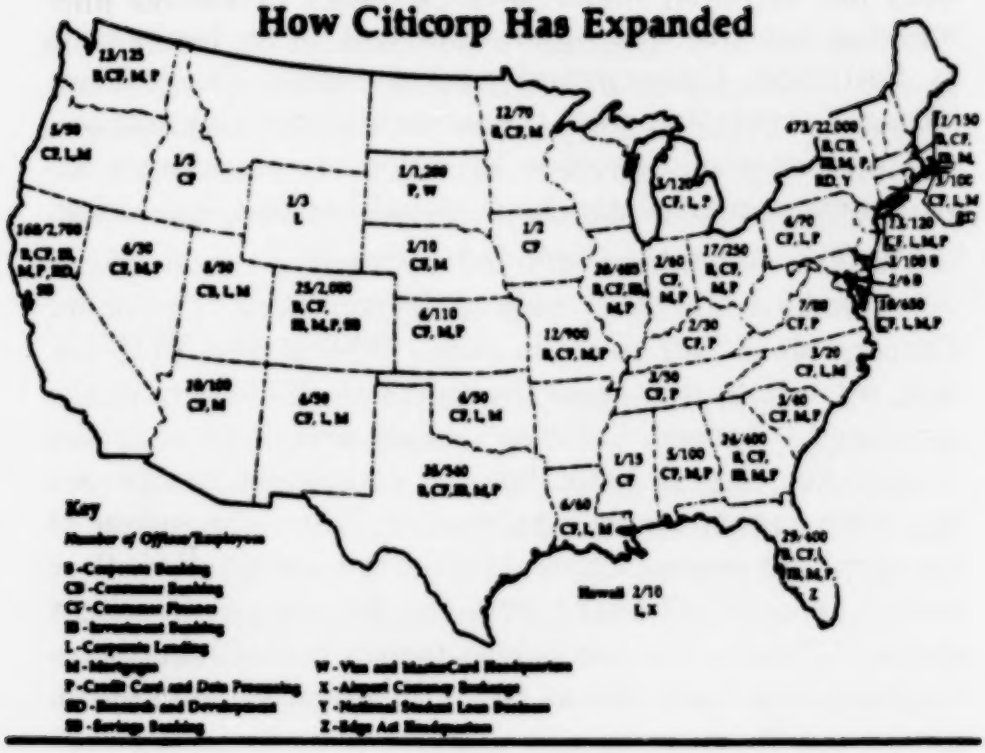
[14] *See* Appendix 8.

[15] *See* Appendix 9.

[16] *See* Appendix 8.

[17] *See* Appendix 10. Similar comparisons can be made for money center banks and banks from the New England Region. *See* Joint Appendix A22-23.



Source: "Interstate Banking Spreads Rapidly
Despite Laws Restricting Practice,"
Wall Street Journal
December 19, 1983, p. 27

BEST AVAILABLE COPY

Since the publication of the foregoing map in 1983, Citicorp has acquired major savings banks in Illinois and Florida, has opened a full-service bank in Maine and has opened limited service banks in Maryland and Nevada. Moreover, Citicorp has engaged in massive marketing of its multi-service consumer Financial Account, and has gained access to an automatic teller network to provide cash to Citicorp customers nationwide.[18]

Acknowledging that the purpose of this expansive strategy is to establish a network to exploit full interstate banking, then-Citicorp Chairman Walter Wriston remarked

> [w]hen the statutes are changed (to allow full interstate banking), we can change the signs and be there with promises already made, computer systems operating and customers already called on.[19]

Regional banking statutes establish a framework within which local bank holding companies can expand and consolidate with other banks, without limiting the ability of money center banks to pursue their current aggressive interstate marketing programs. Such statutes serve the purpose of facilitating interstate activity and competition and maintaining a diverse banking community responsive to local needs.[20] The State of Georgia respectfully urges

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[18] "Citicorp Goes Cross Country With ATMs," *American Banker*, Jan. 18, 1985, p. 1.

[19] "Interstate Banking Spreads Rapidly Despite Laws Restricting Practice," *Wall Street Journal*, Dec. 19, 1983, p. 27.

[20] The regional approach to banking is neither unprecedented nor unreasonable. In New York, the expansion of branching laws proceeded first by the creation of branching regions. Only after the regional system was in place for a number of years did New York adopt statewide branching. Indeed, even representatives of Peti-

the Court to recognize the constitutional validity of these laws.

CONCLUSION

The judgments of the United States Court of Appeals for the Second Circuit should be affirmed.

Respectfully submitted,

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tioner Citicorp have acknowledged that a "consolidation period" in some states is a "reasonable approach" to the problems created by geographic deregulation. Hans R. Angermueller, "Albania and the Balkanization of America," speech delivered to Florida Economic Club, Tallahassee, Florida, March 29, 1984 at p. 9 (Appendix 11).

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I hereby certify that on this 23rd day of March, 1985 three copies of the Brief Amicus Curiae of the State of Georgia in Support of Respondents were deposited in the United States Mail, postage prepaid, addressed to each counsel of record as follows:

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APPENDIX 1

BANKING AND FINANCE—INTERSTATE BANKING ON A REGIONAL BASIS PERMITTED, ETC.

Code Title 7, Chapter 1 Amended.

No. 1314 (House Bill No. 1198).

AN ACT

To amend Article 2 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to banks and trust companies, so as to provide a unified and orderly method of permitting limited interstate banking on a regional basis; to define certain terms; to authorize the commissioner of banking and finance to approve certain acquisitions by a Georgia bank holding company or a Southern Region bank holding company under certain conditions; to authorize a Southern Region bank holding company having a Georgia bank subsidiary to acquire a Southern Region bank holding company under certain conditions; to provide that the commissioner of banking and finance shall not approve certain applications unless certain conditions are met; to prohibit certain acquisitions by any Georgia bank holding company or Southern Region bank holding company; to provide that a Southern Region bank, a Southern Region bank holding company, Georgia bank or Georgia bank holding company may acquire or control, and shall not cease to be a Southern Region bank, Southern Region bank holding company, Georgia bank or Georgia bank holding company by virtue of its acquisition or control of certain financial institutions; to provide that a Georgia bank holding company or a Southern Region bank holding company may acquire a bank or bank hold-

ing company under certain conditions; to provide that a Georgia bank holding company or Southern Region bank holding company controlling a Georgia bank may acquire certain financial institutions; to authorize the commissioner to enforce certain prohibitions by requiring divestiture of nonconforming banks, bank holding companies, or assets through the imposition of fines and penalties or through the exercise of certain other remedies; to provide that any Georgia bank holding company and any Southern Region bank holding company controlling a Georgia bank shall be subject to the registration, reporting, examinations, control, rules, and regulations of the department applicable to bank holding companies; to provide that any company that controls a Georgia bank that is not otherwise organized under the laws of Georgia or qualified to do business in Georgia shall qualify to do business in Georgia as a foreign corporation and shall advise the department of its initial registered office and the name of its initial registered agent, and shall also advise the department of any changes in its registered office and agent; to authorize the department to enter into cooperative and reciprocal agreements with the bank regulatory authorities in other states; to authorize the department to enter into joint actions with other regulatory authorities having concurrent jurisdiction or to enter into such actions independently to carry out its responsibilities; to provide for legislative intent; to provide for nonseverability; to provide for other matters relative to the foregoing; to provide an effective date; to repeal conflicting laws; and for other purposes.

Be it enacted by the General Assembly of Georgia:

Section 1. Article 2 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to banks and trust

companies, is amended by adding a new Part 19 immediately following Part 18 to read as follows:

"Part 19

7-1-620. As used in this part, the term:

(1) 'Acquire,' as applied to a bank holding company means any of the following actions or transactions:

(A) The merger or consolidation with another bank holding company;

(B) The acquisition of the direct or indirect ownership or control of voting shares of another bank holding company or bank if, after such acquisition, such bank holding company will directly or indirectly own or control more than 5 percent of any class of voting shares of such bank holding company or bank;

(C) The direct or indirect acquisition of all or substantially all of the assets of another bank holding company or bank; or

(D) The taking of any other action that would result in the direct or indirect control of another bank holding company or bank.

(2) 'Bank' means any insured institution as such term is defined in Section 3(h) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1813(h), or any institution eligible to become an insured institution as such term is defined therein, which, in either event:

(A) Accepts deposits that the depositor has a legal right to withdraw on demand; and

(B) Engages in the business of making commercial loans.

(3) 'Banking office' means any parent bank, branch bank, or bank office as such terms are defined in Code

Section 7-1-600, or any other office at which a bank accepts deposits. The term banking office shall not include, however, the following:

(A) Unmanned automatic teller machines, point-of-sale terminals, or other similar unmanned electronic banking facilities at which deposits may be accepted;

(B) Offices located outside the United States; or

(C) Loan production offices, representative offices, or other offices at which deposits are not accepted.

(4) 'Bank holding company' means any company which is a bank holding company under either Code Section 7-1-605 or Section 2(a) of the federal Bank Holding Company Act of 1956, as amended, 12 U.S.C. Section 1841(a).

(5) 'Control' means that which is set forth either in Code Section 7-1-605 or Section 2 of the federal Bank Holding Company Act of 1956, as amended, 12 U.S.C. Section 1841.

(6) 'Deposits' means, with respect to a bank, all demand, time, and savings deposits of individuals, partnerships, corporations, the United States government, and states and political subdivisions in the United States. Determinations of deposits shall be made by reference to regulatory reports of condition or similar reports filed by such bank with state or federal regulatory authorities.

(7) 'Georgia bank' means a bank organized under the laws of this state or of the United States and, in either event, having banking offices located only in this state.

(8) 'Georgia bank holding company' means a bank holding company that:

(A) Has its principal place of business in the State of Georgia;

(B) Has total deposits of its Southern Region bank subsidiaries and Georgia bank subsidiaries exceeding 80 percent of the total deposits of all bank subsidiaries of such bank holding company other than those bank subsidiaries held under subsection (a) of Code Section 7-1-622; and

(C) Is not controlled by a bank holding company other than a Georgia bank holding company.

(9) 'Principal place of business' of a bank holding company means the state in which the aggregate deposits of the bank subsidiaries of such bank holding company are the largest.

(10) 'Southern Region states' means the States of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

(11) 'Southern Region bank' means a bank other than a Georgia bank organized under the laws of one of the Southern Region states or of the United States and, in either event, having banking offices only in the Southern Region states.

(12) 'Southern Region bank holding company' means a bank holding company that:

(A) Has its principal place of business in a Southern Region state other than the State of Georgia;

(B) Has total deposits of its Southern Region bank subsidiaries and Georgia bank subsidiaries exceeding

80 percent of the total deposits of all bank subsidiaries of such bank holding company other than those bank subsidiaries held under subsection (a) of Code Section 7-1-622; and

(C) Is not controlled by a bank holding company other than a Southern Region bank holding company.

(13) 'Subsidiary' means that which is set forth either in Code Section 7-1-605 or Section 2 of the federal Bank Holding Company Act of 1956, as amended, 12 U.S.C. Section 1841.

7-1-621. (a) Upon compliance with the provisions of Code Section 7-1-606, which provisions shall be expressly applicable to any such acquisition, and subject to the qualifications of subsections (c) and (d) below:

(1) A Georgia bank holding company may acquire another Georgia bank holding company or Georgia bank;

(2) A Georgia bank holding company may acquire a Southern Region bank holding company or a Southern Region bank;

(3) A Southern Region bank holding company may acquire a Georgia bank holding company or a Georgia bank; and

(4) A Southern Region bank holding company may acquire a Southern Region bank holding company having a Georgia bank subsidiary; provided, however, that the commissioner must rule on any application to him seeking approval to engage in a transaction under this paragraph (4) not later than 90 days following the date of submission of a completed application to him seeking approval of such transaction. If the commissioner fails to rule on the application within the requisite 90

day period, the proposed transaction shall stand approved.

(b) A Southern Region bank holding company having a Georgia bank subsidiary may acquire a Southern Region bank holding company that does not have a Georgia bank subsidiary or may acquire a Southern Region bank. Such Southern Region bank holding company shall notify the department at least 30 days prior to the consummation of the proposed transaction. The notification requirements of this subsection shall be satisfied by furnishing the department with a copy of the application or applications filed with the federal bank regulatory authority or authorities seeking approval for the proposed transaction.

(c) The commissioner shall not approve any application by a Southern Region bank holding company not having a Georgia bank subsidiary other than a Georgia bank acquired pursuant to Code Section 7-1-622 to acquire either a Georgia bank holding company, a Georgia bank, or a Southern Region bank holding company having a Georgia bank subsidiary unless in the Southern Region state where the Southern Region bank holding company seeking to engage in an acquisition under subsection (a) or (b) of this Code section has its principal place of business, the laws governing the acquisition of banks or bank holding companies in such state by bank holding companies having their principal place of business outside such state, that do not otherwise apply to acquisitions of banks or bank holding companies in such state by bank holding companies in such state, expressly would permit a Georgia bank holding company controlling only a Georgia bank to acquire:

(1) The Southern Region bank holding company seeking to make the proposed acquisition; and

(2) The Georgia bank holding company, Georgia bank, or Georgia bank subsidiary of the Southern Region bank holding company proposed to be acquired if the principal place of business of such Georgia bank holding company or the offices of such Georgia bank were in such state.

(d) Notwithstanding anything contained in subsection (a) or (b) of this Code section, no Georgia bank holding company or Southern Region bank holding company may:

(1) Utilize the provisions of subsection (e) of Code Section 7-1-606 to operate branches of a single bank both in this state and in any other state; or

(2) Directly or indirectly acquire a Georgia bank unless such bank has been in existence and continuously operated as a bank for a period of five years or more prior to the date of application to the commissioner for approval of such acquisition. Notwithstanding the foregoing, nothing shall prohibit a Southern Region bank holding company from acquiring all or substantially all of the shares of a Georgia bank organized solely for the purpose of facilitating the acquisition of a bank which has been in existence and continuously operated as a bank for the requisite five-year period.

7-1-622. (a) A Southern Region bank, a Southern Region bank holding company, a Georgia bank, or a Georgia bank holding company may acquire or control, and shall not cease to be a Southern Region bank, Southern Region bank holding company, Georgia bank, or Georgia bank holding company, respectively, by virtue of its acquisition or control of the institutions described in paragraphs (1) through (3) below:

(1) A bank having offices in a state other than a

Southern Region state, if such acquisition has been consummated pursuant to the provisions of Section 116 or 123 of the Garn-St Germain Depository Institutions Act of 1982, 12 U.S.C. Section 1823(f) or 1730a(m);

(2) A bank having banking offices in a state other than a Southern Region state, if such acquisition has been consummated in the regular course of securing or collecting a debt previously contracted in good faith, as provided in Section 3(a) of the federal Bank Holding Company Act of 1956, as amended, 12 U.S.C. Section 1842(a), if the bank or bank holding company divests the securities or assets acquired within two years of the date of acquisition. A Georgia bank holding company or Georgia bank, or a Southern Region bank holding company controlling a Georgia bank, may retain such interests for up to three additional periods of one year each if the commissioner determines that the required divestiture would create undue financial difficulties for such bank or bank holding company; or

(3) A bank organized under the laws of the United States or of any state and operating under Section 25 or Section 25(a) of the Federal Reserve Act, as amended, 12 U.S.C. Section 601 or Sections 611 through 631, or a bank or bank holding company organized under the laws of a foreign country that is principally engaged in business outside the United States and which either has no banking office in the United States or has banking offices in the United States that are engaged only in business activities permissible for a bank operating under Section 25 or 25(a) of the Federal Reserve Act, as amended, 12 U.S.C. Section 601 or Sections 611 through 631.

(b) A Georgia bank holding company or a Southern

Region bank holding company having a Georgia bank subsidiary may also acquire a bank or bank holding company other than as expressly permissible under Code Section 7-1-621 or subsection (a) of this Code section for so long as:

(1) Immediately following the acquisition, the Georgia bank holding company or Southern Region bank holding company continues to qualify as such under the definitional tests provided in paragraph (8) or (12) of Code Section 7-1-620; and

(2) The Georgia bank holding company or Southern Region bank holding company complies with the requirements of subsection (a) or (b) of Code Section 7-1-621, as appropriate, which subsections shall be expressly applicable to any such acquisition.

7-1-623. (a) Except as specifically permitted under Code Section 7-1-622, no Georgia bank holding company or Southern Region bank holding company having a Georgia bank subsidiary may acquire a bank holding company which is not either a Georgia bank holding company or a Southern Region bank holding company or a bank which is not either a Georgia bank or a Southern Region bank.

(b) Except as expressly permitted by federal law, no bank holding company which is not either a Georgia bank holding company or a Southern Region bank holding company may acquire a Georgia bank holding company, a Georgia bank, or a Southern Region bank holding company controlling a Georgia bank.

(c) In the event any bank holding company makes an acquisition that is prohibited by this part, the commissioner shall require such bank holding company to divest

itself immediately of its direct or indirect ownership or control of any Georgia banks. In addition, the commissioner shall have the power to enforce any other prohibitions in this Part 19 by requiring divestitures of nonconforming banks, bank holding companies, or assets, through the imposition of fines and penalties or through the exercise of such other remedies as are provided in this chapter, including but not limited to judicial actions.

7-1-624. (a) Any Georgia bank holding company and any Southern Region bank holding company controlling a Georgia bank shall be subject to the provisions of Code Section 7-1-607 and the rules and regulations of the department applicable to bank holding companies.

(b) Any bank holding company that has a Georgia bank subsidiary that is not otherwise organized under the laws of this state or qualified to do business in this state shall qualify to do business in this state as a foreign corporation and shall advise the department of the location of its initial registered office within this state and the name of its initial registered agent at such location. Such bank holding company shall agree to be bound by all the provisions of Code Sections 7-1-605 through 7-1-608 and by the provisions of this part. Any bank holding company having a Georgia bank subsidiary shall promptly advise the department of any changes in its registered office and agent.

(c) The department may enter into cooperative and reciprocal agreements with the bank regulatory authorities of any state for the periodic examination of bank holding companies and may accept reports of examination and other records from such authorities in lieu of conducting its own examinations. The department may enter into joint actions with other regulatory bodies having

concurrent jurisdiction or may enter into such actions independently to carry out its responsibilities under this title and assure compliance with the laws of this state.

7-1-625. (a) It is the express intention of the Georgia legislature to provide a unified and orderly method of permitting limited interstate banking on a regional basis. Thus if any provision of this part establishing the regional framework within which interstate banking may occur, providing for approval and supervisory powers of the department and the commissioner or limiting expansion into this state to bank holding companies located in states satisfying the requirements of subsection (c) of Code Section 7-1-621 of this part is determined by final, nonappealable order of any Georgia or federal court of competent jurisdiction to be invalid or unconstitutional, this entire part shall be null and void and of no further force and effect from the effective date of such final determination.

(b) Nothing contained in this part shall be construed to amend or modify the provisions of any other part of this chapter governing the supervision or regulation of banks and bank holding companies, as defined therein, or the organization and powers of the department and the commissioner with respect thereto as provided in such other parts."

Section 2. This Act shall become effective on July 1, 1985; provided, however, that if any two states contiguous to this state enact legislation which would permit Georgia bank holding companies to acquire banks or bank holding companies in such states that have effective dates prior to July 1, 1985, this Act shall become effective on the later

of the effective dates set forth in such legislation, but in no event prior to January 1, 1985.

Section 3. All laws and parts of laws in conflict with this Act are repealed.

Approved April 5, 1984.

APPENDIX 2

Permissible Activities for Bank Holding Companies under Section 4(c)8 of Regulation Y November, 1984

Activities Permitted by Federal Reserve Board Regulation

1. Extensions of credit,[2] mortgage banking finance companies, consumer, sales, and commercial credit cards, factoring
2. Industrial bank, Morris Plan banks, industrial loan company
3. Servicing loans and other extensions of credit [2]
4. Trust Company [2]
5. Investment or financial advising [2]
6. Full-payout leasing of personal or real property [2]
7. Investments in community welfare projects [2]
8. Providing bookkeeping or data processing service [2]
9. Acting as insurance agent or broker primarily in connection with credit extensions [2]
10. Underwriting credit life, accident, and health insurance
11. Providing courier service [2]
12. Management consulting to all depository institutions
13. Sale at retail of money orders with a face value of not more than $1000, travelers checks, and savings bonds [1, 2, 7]
14. Performing appraisals of real estate
15. Issuance and sale of travelers checks
16. Arranging commercial real estate equity financing
17. Securities brokerage

18. Underwriting and dealing in government obligations and money market instruments
19. Foreign exchange advisory and transactional services
20. Futures commission merchant
21. Options on financial futures
22. Advice on options on bullion and foreign exchange

Activities Permitted by Federal Reserve Board Order

1. Issuance and sale of travelers checks [2, 6]
2. Buying and selling gold and silver bullion and silver coins [2, 4]
3. Issuing money orders and general purpose variable denominated payment instruments [1, 2, 4]
4. Futures commission merchant to cover gold and silver bullion and coins [2]
5. Underwriting certain federal, state, and municipal securities [1, 2]
6. Check verification [1, 2, 4]
7. Financial advice to consumers [1, 2]
8. Issuance of small denomination debt instruments [1]
9. Arranging for equity financing of real estate
10. Acting as futures commissions merchant
11. Discount brokerage
12. Operating a distressed savings and loan association
13. Operating an Article XII Investment Company
14. Executing foreign banking unsolicited purchases and sales of securities

15. Engaging in commercial banking activities abroad through a limited purpose Delaware bank
16. Performing appraisal of real estate and real estate advisor and real estate brokerage on nonresidential properties
17. Operating a Pool Reserve Plan for loss reserves of banks for loans to small businesses
18. Operating a thrift institution in Rhode Island
19. Operating a guarantee savings bank in New Hampshire
20. Offering informational advice and transactional services for foreign exchange services

Activities Denied by the Board

1. Insurance premium funding (combined sales of mutual funds and insurance)
2. Underwriting life insurance not related to credit extension
3. Sale of level-term credit extension
4. Real estate brokerage (residential)
5. Armored car
6. Land development
7. Real estate syndication
8. General management consulting
9. Property Management
10. Computer output microfilm services
11. Underwriting mortgage guaranty insurance [3]
12. Operating a savings and loan association [4, 5]
13. Operating a travel agency [4, 2]

14. Underwriting property and casualty insurance [1]
15. Underwriting home loan life mortgage insurance [1]
16. Investment note issue with transactional characteristics
17. Real estate advisory services

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[1] Added to list since January 1, 1975.

[2] Activities permissible to national banks.

[3] Board orders found these activities closely related to banking but denied proposed acquisitions as part of its "go slow" policy.

[4] To be decided on a case-by-case basis.

[5] Operating a thrift institution has been permitted by order in Rhode Island, Ohio, New Hampshire and California.

[6] Subsequently permitted by regulations.

[7] The Amount subsequently was changed to $10,000.

Source: Federal Reserve Bank of Atlanta

APPENDIX 3

Number of Interstate 4(c)8 Offices Established by Subsidiaries of Holding Companies Home Officed in a State

As of 12/82

Source: Federal Reserve Bank of Atlanta

Total: 5,500

APPENDIX 4

Total Number of Offices by Primary Activity of Interstate 4(c)8 Subsidiaries

As of 12/82

Source: Federal Reserve Bank of Atlanta

Total 5,500

APPENDIX 5

NONBANK SUBSIDIARIES

LOCATION OF OFFICES BY PRIMARY ACTIVITY AND STATE

Type of Activity	Alabama	Florida	Georgia	Kentucky	Louisiana	Mississippi	North Carolina	South Carolina	Tennessee	Virginia	Total
Mortgage Banking	7	55	29	7	12	2	32	22	38	31	235
Financial Company	94	281	205	51	151	87	311	197	117	193	1,687
Credit Cards	0	0	0	0	0	0	0	0	0	0	0
Factoring	0	0	0	0	0	0	1	0	0	0	1
Industrial Bank	0	1	9	0	0	0	*12	7	0	0	29
Servicing Loans	0	1	3	0	0	0	0	1	0	0	5
Trust Company	0	20	0	0	0	0	0	0	1	0	21
Financial Advisor	0	4	3	0	0	0	0	0	0	1	8
Leasing	0	5	1	3	1	0	8	1	3	0	22
Investment in Community Welfare	0	0	0	0	0	0	0	0	0	0	0
Data Processing	1	2	1	0	0	0	0	1	0	0	5
Insurance Agent	0	0	0	0	0	0	1	0	0	1	2
Underwriting Credit Life	4	2	0	0	0	0	1	0	0	1	8
Management Consulting	0	1	1	0	0	0	0	0	0	0	2
Money Orders, Travelers Checks	0	0	0	0	0	0	0	0	0	0	0
Check Verification	1	0	1	0	0	0	0	0	0	0	2
Audit Services	0	0	0	0	0	0	0	0	0	0	0
Total Per State	107	372	253	61	164	89	366	229	159	227	2,027

*These twelve offices belong to a nonbank subsidiary of Florida National Banks of Florida which is empowered to function as an industrial bank—however, under North Carolina state law industrial banks are not allowed—therefore, these offices do not provide all the services associated with industrial banks.

Source: Federal Reserve Bank of Atlanta

APPENDIX 6

NONBANK SUBSIDIARIES
LOCATION OF ACTIVITIES BY STATE

Type of Activity	Alabama	Florida	Georgia	Kentucky	Louisiana	Mississippi	North Carolina	South Carolina	Tennessee	Virginia	Total
Mortgage Banking	7	56	29	13	12	2	50	23	39	31	262
Financial Company	98	286	206	53	151	87	313	198	151	206	1,749
Credit Cards	0	0	0	0	0	0	0	0	0	1	1
Factoring	1	3	3	1	1	0	3	0	1	0	13
Industrial Bank	0	1	9	1	0	0	*12	7	0	0	30
Servicing Loans	11	97	44	7	23	5	59	34	9	54	343
Trust Company	0	20	1	0	0	0	0	0	2	0	23
Financial Advisor	0	16	6	1	0	0	0	0	0	3	26
Leasing	2	32	24	6	7	0	33	14	6	30	154
Investment in Community Welfare	0	0	0	0	0	0	0	0	0	0	0
Data Processing	1	2	1	0	0	0	0	1	0	1	6
Insurance Agent	62	142	128	36	110	64	235	147	74	119	1,117
Underwriting Credit Life	26	130	100	4	26	9	63	75	44	28	505
Management Consulting	0	1	1	0	0	0	0	0	0	0	2
Money Orders, Travelers Checks	8	38	4	0	0	0	0	59	34	12	155
Check Verification	1	0	1	0	0	0	1	0	0	0	3
Audit Services	0	0	0	0	0	0	0	0	0	0	0
Total Per State	217	824	557	122	330	167	769	558	360	485	4,389

*These twelve offices belong to a nonbank subsidiary of Florida National Banks of Florida which is empowered to function as an industrial bank—however, under North Carolina state law industrial banks are not allowed—therefore, these offices do not provide all the services associated with industrial banks.

Source: Federal Reserve Bank of Atlanta

APPENDIX 7

REGIONAL INTERSTATE BANKING FOR GEORGIA

THE PURPOSE OF THE PROPOSED LEGISLATION IS TO ESTABLISH A FRAMEWORK PERMITTING INTERSTATE BANKING WITHIN A DEFINED REGION CONTAINING TEN SOUTHEASTERN STATES WHICH, DUE TO HISTORICAL, CULTURAL, ECONOMIC, AND GEOGRAPHICAL INFLUENCES, ARE CLOSELY ALIGNED IN THEIR GROWTH AND DEVELOPMENT. THE RATIONALE FOR SUCH LEGISLATION IS THAT PERMITTING EXPANSION OF COMMERCIAL BANKING ACTIVITIES WITHIN A REGION OF COMMON INTEREST WILL PERMIT GEORGIA'S AND THE REGION'S ECONOMY TO RECEIVE THE BENEFITS OF HAVING MAJOR FINANCIAL INSTITUTIONS BASED WITHIN ITS BORDERS WHICH HAVE THE CAPACITY TO SERVE THE GREATER NEEDS OF A GROWING, DEVELOPING BUSINESS COMMUNITY CONTAINING REGIONAL AND NATIONAL BUSINESSES AND INDUSTRIES AND WHICH ARE SENSITIVE TO THE UNIQUE NEEDS, ATTITUDES, BUSINESS PRACTICES, AND COMMITMENTS OF BUSINESS AND COMMERCE WITHIN THE REGION. REGIONAL INTERSTATE BANKING IS A LOGICAL STEP TOWARD MAKING THE REGIONALLY ORIENTED FINANCIAL INSTITUTIONS OF OUR STATE MORE COMPETITIVE WITH THE GROWING NUMBER OF NON-BANKING PROVIDERS OF FINANCIAL SERVICES SUCH AS SEARS ROEBUCK, AMERICAN EXPRESS, AND MERRILL LYNCH WHICH ARE NOT SUBJECTED TO THE

SAME MARKET RESTRICTIONS AS COMMERCIAL BANKS. AT THE SAME TIME IT WILL ALLOW OUR INSTITUTIONS TO DEVELOP FINANCIAL AND MANAGERIAL RESOURCES ACROSS THE REGION IN A SAFE AND SOUND MANNER; BETTER POSITIONING THEMSELVES TO COMPETE EFFECTIVELY WITH THE MAJOR MONEY CENTER BANKS IN NEW YORK, CHICAGO, AND CALIFORNIA, WHICH ARE ALREADY LOCATED WITHIN THE REGION AND ENGAGING IN ALL ASPECTS OF THE BANKING BUSINESS WITH THE EXCEPTION OF DEPOSIT-TAKING ACTIVITIES. EVEN THIS LATTER ACTIVITY GOES ON THROUGH INDIRECT MEANS.

WHILE MOST ASPECTS OF INTERSTATE COMMERCE FALL WITHIN THE JURISDICTION OF THE CONGRESS, DETERMINATION OF THE BANKING STRUCTURE HAS HISTORICALLY BEEN LEFT TO THE STATES. THE PROPOSED LEGISLATION ON INTERSTATE BANKING IS SPECIFICALLY A MATTER FOR STATE CONSIDERATION UNDER THE DOUGLAS AMENDMENTS TO THE FEDERAL BANK HOLDING COMPANY ACT OF 1956 WHICH STATES THAT NO BANK HOLDING COMPANY MAY ACQUIRE A BANK ACROSS STATE LINES UNLESS THE LAWS OF THE STATE WHERE THE BANK IS LOCATED SPECIFICALLY PROVIDE FOR SUCH ACQUISITIONS. GEORGIA STATUTES CURRENTLY PERMIT INTERSTATE ACQUISITIONS BUT NOT IN A DIRECT AND AFFIRMATIVE STATEMENT AS REQUIRED UNDER THE FEDERAL LAW. THE PROPOSED LEGISLATION WILL CORRECT THAT LANGUAGE.

ANY CAREFUL CONSIDERATION OF THE EVOLUTION OF THE FINANCIAL SERVICES INDUSTRY AND THE PROSPECTS OF INTERSTATE BANKING WITH THE CONCURRENT COST/BENEFITS TO BE DERIVED MUST CONCLUDE THAT THE BENEFITS TO THE STATE'S ECONOMY AND THE DEVELOPMENT OF THE REGION ARE SIGNIFICANT AND PREDICTABLE. THE INCREASED LENDING CAPACITY AND AVAILABILITY OF SPECIALIZED FINANCIAL SERVICES WHICH CAN BE OFFERED BY LARGER, REGIONAL BANKS WILL HAVE DIRECT BENEFITS FOR THE REGION AND MAKE THE REGION EVEN MORE ATTRACTIVE TO COMMERCIAL AND INDUSTRIAL PROSPECTS SEEKING TO ESTABLISH OR RELOCATE HERE. THERE IS NO EVIDENCE TO SUPPORT THAT THE OPENING OF THE OPPORTUNITIES OF INTERSTATE BANKING FOR ALL BANKS WILL BE ADVERSE TO THE BEST INTEREST OF THOSE BANKS WHICH PREFER TO MAINTAIN A GEORGIA ORIENTATION TO THEIR OPERATION OR TO SERVE ONLY A SMALLER COMMUNITY OF THE STATE. THE COMMUNITY BANK, THE STATEWIDE ORGANIZATION, AND THE REGIONAL BANK CAN CO-EXIST AND IN FACT THE MIX OF SUCH INSTITUTIONS SERVING DIFFERENT NEEDS OF THE INDIVIDUAL AND CORPORATE CITIZENS OF OUR STATE IS DESIRABLE AND MUTUALLY BENEFICIAL TO MEMBERS OF THE BANKING COMMUNITY.

THE PROPOSED LEGISLATION WILL SET FORTH A NEW PART IN THE FINANCIAL INSTITUTIONS CODE WHICH IS CONSISTENT WITH AND

BUILDS ON THE STATE'S CURRENT BANK HOLDING COMPANY LAWS GOVERNING IN-STATE ACQUISITIONS BUT DOES NOT ALTER OR CHANGE THOSE LAWS IN ANY WAY. INTER-STATE ACQUISITIONS WOULD ONLY BE AL-LOWED THROUGH A HOLDING COMPANY, NOT THROUGH A BRANCH, THUS MAINTAINING THE LOCAL CORPORATE ENTITY AND THE BANK BEING ACQUIRED MUST BE AT LEAST FIVE YEARS OLD AS IS CURRENTLY REQUIRED IN THE CASE OF AN IN-STATE ACQUISITION. THE HOME STATE OF THE HOLDING COMPANY MUST EXPRESSLY ALLOW GEORGIA BANK HOLDING COMPANIES TO MAKE SIMILAR AC-QUISITIONS IN THAT STATE. WHILE 'ANTI-LEAPFROGGING' PROVISIONS PREVENT NON-REGION BANK HOLDING COMPANIES FROM COMING INTO GEORGIA THROUGH ACQUISI-TIONS IN ANOTHER STATE IN THE REGION, IN DEFERENCE TO BORDER STATES IN OUR REGION WHICH MIGHT DESIRE TO AUTHORIZE A LIMITED PRESENCE IN A NEIGHBORING REGION, ACQUISITIONS OUTSIDE OUR REGION ARE ALLOWED SO LONG AS AGGREGATE DE-POSITS OF ALL BANKING SUBSIDIARIES FOR THE HOLDING COMPANY WITHIN THIS REGION CONSTITUTE AT LEAST 80% OF THE HOLDING COMPANY'S TOTAL AGGREGATE DE-POSITS FOR ALL SUBSIDIARIES. AN EFFECTIVE DATE OF JULY 1, 1985, IS RECOMMENDED TO ALLOW THOSE FINANCIAL INSTITUTIONS IN-TERESTED IN EXPANDING INTERSTATE TO MAKE TIMELY, YET CONSIDERATE, FINAN-CIAL ARRANGEMENTS, TAKE OTHER NECES-

SARY CORPORATE ACTION, AND NEGOTIATE DESIRABLE MERGERS AND ACQUISITIONS AS WELL AS TO ALLOW OTHER STATES AND REGULATORY AUTHORITIES SUFFICIENT PREPARATORY TIME. HOWEVER, IN ORDER NOT TO DISADVANTAGE BANKS IN GEORGIA, IF TWO CONTIGUOUS STATES ENACTED RECIPROCAL LEGISLATION WITH AN EARLIER EFFECTIVE DATE, THIS LEGISLATION CAN BECOME EFFECTIVE AT THAT TIME BUT IN NO EVENT EARLIER THAN JANUARY 1, 1985.

PARTICULAR COMMENT SHOULD BE MADE RELATIVE TO THE SEVERABILITY CLAUSE. OPPONENTS OF REGIONAL INTERSTATE BANKING, PARTICULARLY THOSE WHO WOULD PROPOSE NATION-WIDE, NON-RECIPROCAL INTERSTATE BANKING, HAVE RAISED CONSTITUTIONAL QUESTIONS UNDER THE EQUAL PROTECTION, COMMERCE, AND INTERSTATE COMPACT CLAUSES OF THE FEDERAL CONSTITUTION. A REGIONAL PROPOSAL IN NEW ENGLAND IS BEING LITIGATED ON THESE POINTS. HOWEVER, THE NEED AND TIMING IS SUCH THAT PASSAGE OF REGIONAL INTERSTATE BANKING SHOULD NOT AWAIT THE OUTCOME OF THE NEW ENGLAND LITIGATION. GEORGIA LEGISLATION HAS BEEN DRAFTED TO ADDRESS THE CONSTITUTIONAL QUESTIONS ACCORDING TO COMPETENT LEGAL OPINION. NEVERTHELESS, TO ASSURE THAT ADVERSE RULINGS IN ANY LITIGATION DO NOT BRING ABOUT A RESULT CONTRARY TO THE INTENT OF THE GENERAL ASSEMBLY, THE PROPOSED LEGISLATION WOULD BE NULL AND VOID IF

ANY PORTION WAS FINALLY DETERMINED TO BE UNCONSTITUTIONAL.

IN CONCLUSION, INTERSTATE BANKING HAS THE PROSPECTS OF BRINGING MANY ECONOMIC BENEFITS TO THE STATE OF GEORGIA AND THE REGION DESCRIBED IN THE LEGISLATION. WHILE ITS POSITIVE INFLUENCE ON OUR ECONOMY IS PREDICTABLE, NO PERCEIVED HARM WOULD ACCRUE TO ANYONE BY ITS PASSAGE. THE ESTABLISHMENT OF A GOOD MIX OF DEPOSITORY FINANCIAL INSTITUTIONS SERVICING CONCURRENTLY THE FINANCIAL NEEDS OF THE SMALL COMMUNITY, STATEWIDE INTERESTS AND REGIONAL AND NATIONAL CUSTOMERS WOULD BE A POSITIVE DEVELOPMENT. FAILURE TO ENACT INTERSTATE BANKING IN LIGHT OF ACTIVITY IN OTHER STATES AND REGIONS ACROSS THE COUNTRY WOULD BE HARMFUL TO OUR STATE WHICH WOULD BE RELEGATED TO A SECONDARY POSITION IN THE REGION AND HAVE TO FOREVER PLAY 'CATCH-UP'. GEORGIA HAS THE OPPORTUNITY TO ENACT THE FIRST INTERSTATE BANKING LEGISLATION IN THE REGION AND THEREBY ESTABLISH THE PATTERN FOR OTHER STATES' ENACTMENTS BECAUSE OF THE REQUIREMENTS FOR RECIPROCITY. THIS STATE'S CURRENT BANK HOLDING COMPANY LAWS ARE CONSIDERED TO BE, IF NOT THE STRONGEST, ONE OF THE STRONGEST IN THE NATION. THE GENERAL ASSEMBLY SHOULD DETERMINE THE BEST BANKING STRUCTURE TO SERVE THE NEEDS OF GEORGIA AND TO ASSURE WITHIN ITS ABILITY THAT THE

MODEL FOR OTHER LEGISLATION IN THE REGION IS CONSISTENT WITH THIS STATE'S BEST INTEREST.

DEPARTMENT OF BANKING AND FINANCE
STATE OF GEORGIA

JANUARY 18, 1984

APPENDIX 8

COMPARISON OF FINANCIAL STATISTICS

Citicorp vs. Southern Region Banks

As of 6/30/84

	Total Assets	Total Deposits
Citicorp*	$143,509,000,000	$ 87,248,000,000
Chase Manhattan**	87,641,577,000	60,928,517,000
Southern States (All Banks)* **		
Alabama	$ 22,642,986,000	$ 18,460,277,000
Florida	70,277,789,000	60,598,119,000
Georgia	35,183,037,000	28,433,377,000
Kentucky	25,497,632,000	20,970,406,000
Louisiana	33,087,666,000	27,839,276,000
Mississippi	15,233,545,000	13,008,975,000
North Carolina	35,868,177,000	29,426,577,000
South Carolina	11,853,427,000	9,819,234,000
Tennessee	30,527,790,000	25,972,085,000
Virginia	34,817,163,000	28,918,795,000
Total Southern States	$330,222,757,000	$263,447,121,000

Sources: *Citicorp Quarterly Report, Aug. 1, 1984.

**Form 10-Q, The Chase Manhattan Corporation, July 1984.

***Rand McNally, International Bankers' Directory (Final Ed. 1984).

APPENDIX 9

COMPARISON OF TOTAL ASSETS

As of 12/31/83

Citicorp v. Top 25 Southern Holding Companies

	Assets
Citicorp, New York	$134,655,000,000
NCNB Corp., Charlotte, N.C.	12,807,706,000
Barnett Banks of Florida, Inc., Jacksonville	9,396,921,000
Southeast Banking Corp., Miami	8,884,000,000
Wachovia Corp., Winston-Salem, N.C.	7,850,000,000
Sovran Financial Corp., Norfolk, Va.	7,187,018,000
Citizens and Southern Georgia Corp., Atlanta	6,933,515,000
First Union Corp., Charlotte, N.C.	6,803,163,000
Sun Banks, Inc., Orlando	6,161,000,000
First Atlanta Corp.	5,761,817,000
United Virginia Bankshares, Inc., Richmond	5,414,776,000
Trust Company of Georgia, Atlanta	4,849,807,000
First Tennessee National Corp., Memphis	4,617,075,000
Bank of Virginia Co., Richmond	3,849,769,000
Dominion Bankshares Corp., Roanoke, Va.	3,825,881,000
Third National Corp., Nashville, Tenn.	3,725,260,000
AmSouth Bancorporation, Birmingham, Ala.	3,636,580,000
Florida National Banks of Florida, Jacksonville	3,549,900,000

	Assets
Flagship Banks, Inc., Miami	$ 3,534,800,000
First American Corp., Nashville, Tenn.	3,497,303,000
Atlantic Bancorporation, Jacksonville, Fla.	3,329,873,000
First Kentucky National Corp., Louisville	3,318,320,000
First Alabama Bancshares, Inc., Montgomery	3,214,303,000
SouthTrust Corp., Birmingham, Ala.	3,001,489,000
First Florida Banks, Inc., Tampa	2,797,887,000
Central Bancshares of the South, Inc., Birmingham, Ala.	2,769,159,000
TOTAL:—Southern Top 25	$130,690,322,000

APPENDIX 10

COMPARISON OF TOTAL ASSETS

As of 6/30/84

	Assets
*Largest 10 Bank Holding Companies	$604,900,000,000
(Citicorp, Bank America, Chase Manhattan, Manufacturers Hanover, J. P. Morgan, Chemical New York, Continental Illinois, First Interstate Bankcorp, Bankers Trust, Security Pacific).	
**All Banks Southern States	$330,222,757,000
(Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia).	

Sources: *American Banker, July 23, 1984
**Rand McNally, International Bankers' Directory (Final Ed. 1984)

APPENDIX 11

Excerpt from "Albania and the Balkanization of America," Speech delivered by Hans Angermeuller to the Florida Economic Club, Tallahassee, Florida March 29, 1984.

* * *

The implied purpose of the regional approach is to allow smaller banks in the region time to build up their competitiveness before true interstate banking brings larger banks into their market. A study sponsored by the Florida House of Representatives states that Florida's regional banking plan would be a good initial step toward lowering geographic restrictions. But it adds that an interim regional plan with a "national trigger" date in a few years is, on balance, the best available option.

Such a plan has been submitted in a bill introduced in the Florida legislature by State Senator Jack Gordon. The Gordon bill would strike a compromise by allowing the Florida regional banks to grow through the regional process for the next five years. Yet, during that period, bank holding companies outside the region would be permitted to acquire one Florida bank per year, providing that no Florida bank so acquired would have assets of $400 million or more.

The Gordon bill sounds like it's moving the ideas in the right direction. Naturally, we would prefer total nationwide banking by federal fiat, either immediately or over time as per the bill introduced in Congress by Senator Al D'Amato of New York. While we don't want to espouse a general rule applicable to all states, we're ready to accept a consolidation period, as Senator Gordon proposes, as a reasonable approach for the Florida market.

* * *